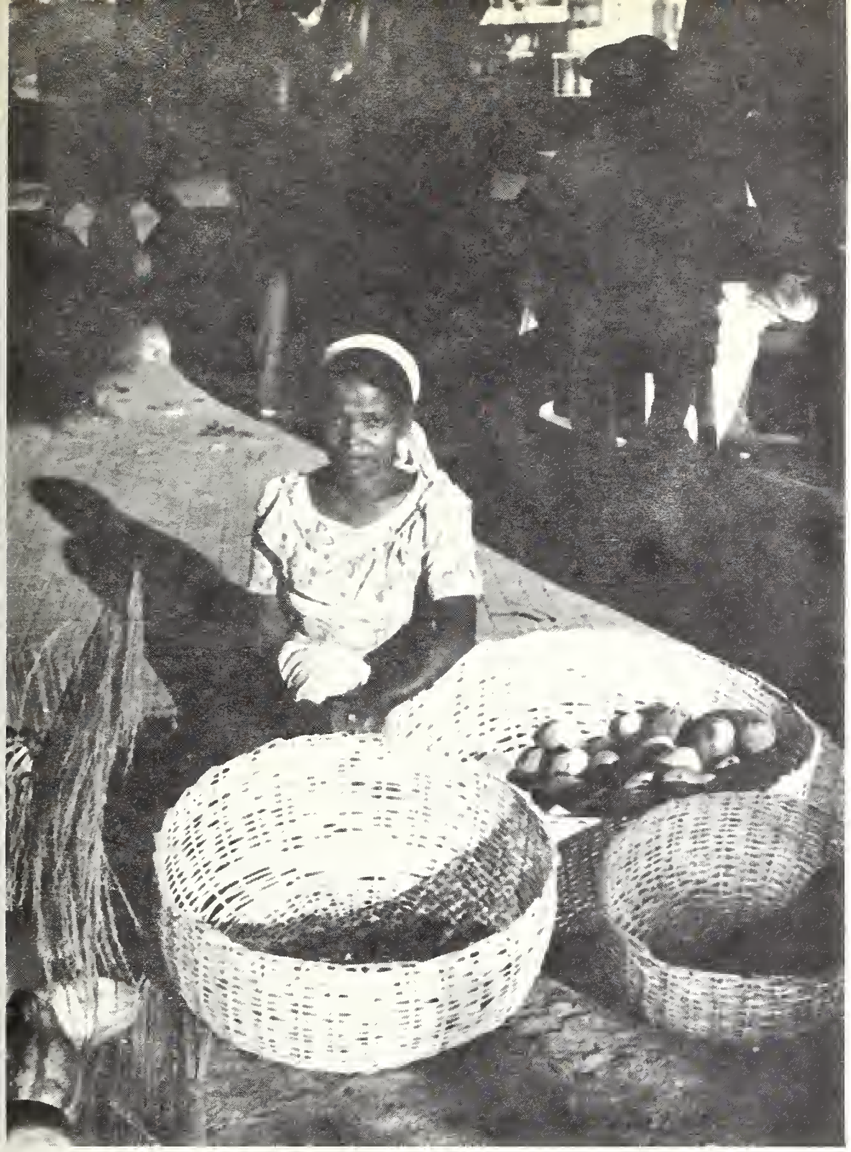

JULY 15, 1963

WORLD SUGAR SUPPLY

REPORT FROM BRAZIL

SPAIN INCREASES
COTTON PRODUCTION

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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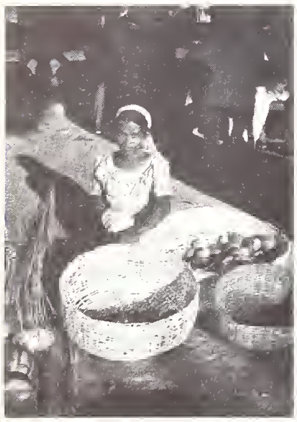

Fruit market, Recife, Brazil. Though best known for its coffee, Brazil ships a variety of agricultural items abroad, among them oranges and bananas (p. 5).

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Outlook for
THE WORLD'S SUGAR SUPPLIES

By JOHN C. SCHOLL
Sugar and Tropical Products Division
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As the 1962-63 sugar season reaches completion, the Foreign Agricultural Service estimates world centrifugal sugar production at 54.5 million short tons, raw value—3 percent below the preliminary estimates released in November 1962, almost 2 million tons below 1961-62, and 5.5 million below the record 1960-61 crop.

This decline in world sugar production during the past two seasons is due largely to a drop in Cuba's output, from 7.5 million tons in 1960-61 to 4.1 million in 1962-63. West European production in this period also declined, from 10.6 to 8 million tons. These declines more than account for the total decrease; as a matter of fact, aggregate production elsewhere increased somewhat.

Larger Free World supplies in prospect

Free World supplies have shifted from abundance to a tightening position, owing largely to the sharp decline in Cuban production and the commitment of a large portion of that reduced production to other countries in the Communist Bloc. Smaller West European crops have also contributed to the tightening of Free World supplies.

For 1963-64, however, though quantitative estimates will not be available for several months, larger crops appear certain in a number of important producing countries. Higher prices are providing a strong incentive to producers to use more fertilizer, modernize and expand mills, and otherwise endeavor to obtain maximum outturns from beet and cane acreages. A number of important sugar-exporting countries have announced intentions to produce increased quantities of sugar for export in 1963-64.

In Western Europe an increase of 3 to 5 percent in beet acreage is reported. Plantings this spring were delayed by bad weather, but very good weather recently has substantially improved prospects. The United States is likely to increase its outturn by a half million tons this year, and with the removal of all restrictions on beets and sugarcane, further increases are expected beyond 1963.

Consumption increase slows as prices rise

World production of sugar is expected to exceed consumption in 1963-64, after being about 3 million tons below in 1962-63 and slightly below in 1961-62.

Prior to 1962-63, world consumption was increasing about 2 million tons per year; but in 1962-63, higher prices have cut the rate of increase by half. These price increases are having their greatest effects on sugar consumption in low-income countries, including exporting countries wishing to export more sugar while prices are high. In many importing countries, retail prices for sugar were already established at high levels and the rate of consumption was less affected.

It is quite likely that by 1964-65 supplies will have expanded sufficiently so that consumption can again resume the "2 million per year" rate prevailing before 1962-63, as population continues to increase and prices decline.

Quantity and location of world stocks

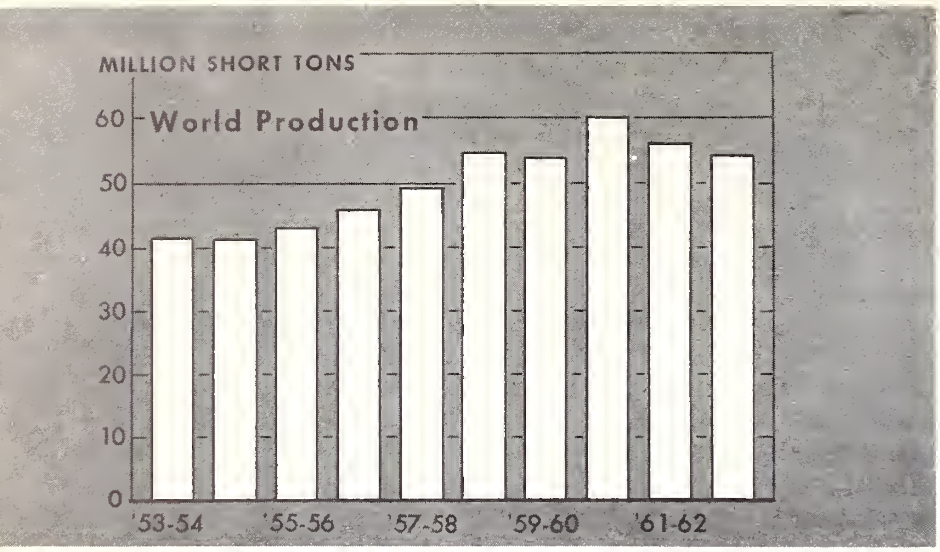
The tightening of Free World supplies has been accentuated by a shifting of stocks to the Communist Bloc. Both the size and location of world sugar stocks are important in assessing supply prospects for the United States and the rest of the Free World.

The International Sugar Council publishes world stocks data on a year-end basis. They reached a peak of 24 million tons in 1961, after the record 1960-61 crop. This quantity was clearly excessive in view of the level of world consumption at that time. Stocks on December 31, 1963, may total about 21 million tons, approximately the 1959 level. As consumption increases, desirable stock levels increase too.

The 1961 stocks data are the latest published by the Council. During the 1957-61 period, stocks in Europe increased from 7.7 million tons to 13.6 million. These included stocks in the USSR and Eastern Europe, which accounted for more than half of this rise. Another significant development has been the liquidation of stocks in Cuba after 1959, when they totaled 1.35 million tons, and the transfer of these stocks to other Bloc countries.

The Foreign Agricultural Service estimates carryover stocks on a crop-year basis for 46 Free World countries, representing two-thirds of the world production. These

Harvesting beets in France



WORLD SUGAR PRODUCTION —after reaching a high point in 1960-61—has been on the decline for the past 2 years; but present indications are that it is moving up again, and in 1963-64 it is expected to exceed world sugar consumption.

countries are almost synonymous with the Free World, which currently produces 70 percent and consumes 75 percent of the world's sugar.

These estimates do not relate to a specific date for the group of countries but rather to the time in each country when stocks are usually at their seasonal low. The aggregate carryover in 1961-62 for these countries was 7.9 million tons, about a million below 1960-61. Since world consumption in 1961-62 was only slightly in excess of production, apparently stocks in the Bloc (including Cuba) increased by about a million tons. Within the Bloc there was a sizable transfer of stocks from Cuba to other Bloc countries.

World consumption exceeded production by about 3 million tons in 1962-63. This means that a further substantial drawdown in Free World stocks has taken place in the season now ending. But these stocks should build up again.

Shifts in world trade

The United States is the world's largest importer of sugar. We take about one-fifth of the total world exports of about 21 million tons per year. Before 1960, the United States obtained one-third of its total sugar requirement from Cuba and a million tons per year from the Philippines; these two countries supplied well over 90 percent of our total imports. Now, imports from the Philippines are increasing, but imports from a large number of foreign suppliers are required to replace supplies formerly received from Cuba.

While a substantial part of the Cuban sugar is now going to the Sino-Soviet Bloc, sizable amounts of Bloc Sugar have been moving to the Free World, exclusive of the United States. In 1962, Bloc exports to the Free World totaled about 3.5 million tons, of which 1.5 million tons was shipped direct from Cuba. East European countries, particularly Poland and Czechoslovakia, have traditionally exported sugar to the Western world. The USSR has been a large net importer of sugar since 1959, but it also exported about a quarter of a million tons annually before 1961 and about a million tons in each of the past 2 years, much of which has gone to the Free World. Exports from the Bloc (including Cuba) to the Free World in 1962 were equivalent to about one-fifth of Bloc production, and this approximate ratio is probably being maintained in 1963.

Sugar is a highly regulated commodity. The governments of nearly all sugar-producing countries exercise some degree of control over the production, refining, and marketing of sugar, and many countries rigidly control sugar imports. Actually, about two-thirds of the sugar in international trade moves under arrangements which tend to insulate it from world supplies.

Long-term outlook

The increase in production necessary to push world sugar production ahead of consumption in 1963-64 reflects efforts to make more effective use of existing facilities, including a longer than usual grinding season in many countries. In 1963-64, most of the increase expected in production will be in the Free World.

Over the longer period, however, there are numerous countries which have the potential to expand production substantially and to keep pace with the upward trend in consumption. Recent high prices are providing a strong incentive. Additionally, government decisions may provide the incentive to increase production considerably in a number of major producing countries. Long-term market outlooks are important considerations in making such decisions, for it takes sizable expenditures of capital to construct new mills and establish new plantations. Extended periods are required to amortize such investments.

Taking all factors into account and assuming average weather in key countries, it looks as if increases in world production beyond 1963-64 should be adequate to meet the needs of consumers at moderate price levels. World prices have declined from 12.6 cents per pound on May 23 to 9.55 on June 28, and further declines are expected. However, in the foreseeable future, prices are not likely to approach the recent disastrous level of 2 to 2½ cents.

Agricultural products arrive at Amazon port by riverboat and are transferred to freight car. Brazil's agriculture supplies over one-quarter of the national income and accounts for a large share of foreign shipments.

By FORD M. MILAM
U.S. Agricultural Attache
Rio de Janeiro, Brazil

Report From Latin America: Brazil

As trading partners Brazil and the U.S. do a big two-way business—in farm products alone well over $500 million.

Brazil, the largest country in Latin America, is also the world's largest coffee producer and the third largest producer of cacao. In corn, sugar (centrifugal), and meat it ranks fourth in international trade.

Brazil depends heavily on its agricultural output, despite significant development of minerals and industry in the past two decades. Agriculture contributes over a quarter of the country's national income, still exceeding slightly the share supplied by industry. Also, agriculture employs about one-half of the total labor force, far more than any other branch of the economy.

More important, however, is agriculture's contribution to Brazil's foreign exchange earnings. Agricultural products usually account for 85 to 90 percent of the value of total exports, coffee alone for about 50 percent. Cotton, cacao, and sugar are also major exports; and among the other Brazilian agricultural products that enter foreign markets are bananas, oranges, livestock and meat products, Brazil nuts, tobacco, sisal, castoroil and oiticia oils, carnauba wax, peanuts, and lumber.

As one of the world's leading agricultural nations, Brazil is largely self-sufficient in its food output, even with its rapidly growing population now estimated at close to 75 million. It is believed that Brazilians receive an average of 2,800 calories a day, with wide variations in composition among the rural region and different income groups.

Agricultural commodities usually account for about 15 to 20 percent of the value of total imports. Wheat is Brazil's only sizable food import, and about 40 percent of this in recent years has been supplied under U.S. Public Law 480, or the Food for Peace Program. Other agricultural imports of some importance are deciduous fruits, barley malt, oats, and powdered milk.

Farm exports essential

Brazil is expanding its exports of minerals, particularly iron ore. Nevertheless, its agricultural trade is essential. From it comes the foreign exchange needed to buy industrial materials to maintain a satisfactory rate of development and to service the country's foreign debt.

Unfortunately, declines in world prices for Brazil's major agricultural exports in 7 of the past 10 years have slowed economic growth and contributed to the present political and economic situation. Under these conditions, policies related to agricultural development and trade may be expected to exert major influence on relationships with Brazil's principal trading partners—the United States, Canada, and West European countries.

The trade between the United States and Brazil is an extremely large one. Last year the United States shipped to Brazil products valued at $424 million and of this amount, $94.5 million was agricultural. U.S. purchases from Brazil were at a peak—$543 million. Agriculture's share, at $462 million, was down from the 1961 high level of $483 million because of lower coffee and cacao prices.

The United States is Brazil's best export market for coffee, cacao, sugar, Brazil nuts, sisal, and waxes. This trade will continue. However, the country's external trade policy has, to an increasing degree, emphasized the development of new markets through bilateral trade and payments agreements and stabilization of commodity markets through international commodity agreements.

Trade pact with USSR

Brazil had a 3-year trade agreement with the Soviet Union which terminated in December 1962. Then in April of this year, a second agreement was signed for 5 years, with provisions for successive 1-year extensions.

The announced volume of trade for the first 3 years was set at $160 million for 1963, $200 million for 1964, and $225 million for 1965. The main Soviet exports to Brazil will be wheat and petroleum products. In return, Brazil will ship the USSR coffee, cotton, rice, oranges, hides and skins, cacao, tobacco, sisal, and other products. The amount of wheat to be received by Brazil will be considerably larger than under the previous agreement—500,000 tons this year, 600,000 in 1964, and 700,000 in 1965.

Barter agreements have recently been made with other Communist Bloc countries. At the same time, Brazil is also looking toward Africa for prospective markets.

Brazil is a member of the Latin American Free Trade Area made up of seven countries which have agreed to progressively eliminate trade barriers among themselves. Brazil hopes to sell industrial goods to the other six, with a limited amount of bilateral trade in agricultural items. Brazil is also a signatory to the General Agreement on Tariffs and Trade. Currently, its main concern is with the European Economic Community whose variable levies for agricultural imports will affect Brazil's shipments.

Agricultural goals

Brazil's principal agricultural goal is to expand output both for export and domestic consumption. Semi-official organizations exist for the principal export commodities—coffee, sugar, cotton, rice—and the government recently established the National Superintendency of Supply, giving it vast powers to stimulate and regulate production and marketing of basic products, especially food products.

Most production and marketing activities, however, are under private ownership and control. Agricultural production is encouraged through guaranteed minimum prices and provision of agricultural credit, but resources available for these purposes have been very limited considering the size of Brazil.

As an Alliance for Progress country, Brazil will get assistance in further developing its agriculture. A major goal is the doubling of beef production by 1970, in order to gain an export income of $150 million or more annually. Such an achievement is not possible without pasture improvement, better marketing methods, better port facilities, and an active research program. Agreements have been signed providing funds to help achieve this.

Policy changes

Certain basic policy changes have already taken place. The Federal Ministry of Agriculture has been completely reorganized to realign functions. A special fund has been established for the promotion of crops and livestock. And on June 4, the new Rural Workers Law went into effect, extending to farm workers the same rights, privileges, and controls applicable to industrial and commercial workers. Production costs will go up; therefore, the farmer will have to increase his productivity or go out of the business of farming.

The principal policy change still in the making is an agrarian reform law. Brazil's problem is not one of pressure on the land. The overall population-land ratio is favorable; however, the bulk of the population is concentrated along a narrow coastal strip. The great Amazon River Valley contains huge areas which are practically uninhabitable, but Central Brazil has expansive plateaus suitable for settlement.

Furthermore, there are great disparities with regard to land holding. Ninety-two percent of the farm units range in size from 2.5 acres to 500 acres and contain only 25

Serious drought has hit Brazil's northeast area. Below, water for mine operations is carried by burro; right, cattle moving in search of feed and water.

percent of the cultivated land; whereas 8 percent of the holdings are from 500 to 250,000 acres and these include 75 percent of the farmland. Of the total farm labor force, 55 percent either has no land or not enough for economic operations.

The Brazilian pattern of land use results mainly from historical developments and is not in accord with economic apportionment, nor does it represent maximum utilization. The uncertainty resulting from the lack of a defined agrarian policy has prevented the progressive land owners from making the investments required to increase productivity. Some of the extremely large farms are grossly inefficient because of the philosophy so often expressed, "Why should I spend money improving my farm when I am making all I want under present management?"

Another problem is the low per capita income in rural areas—only one-fourth of that in urban areas. This is in large part responsible for maintaining rural living standards at very low levels.

Land reform ahead

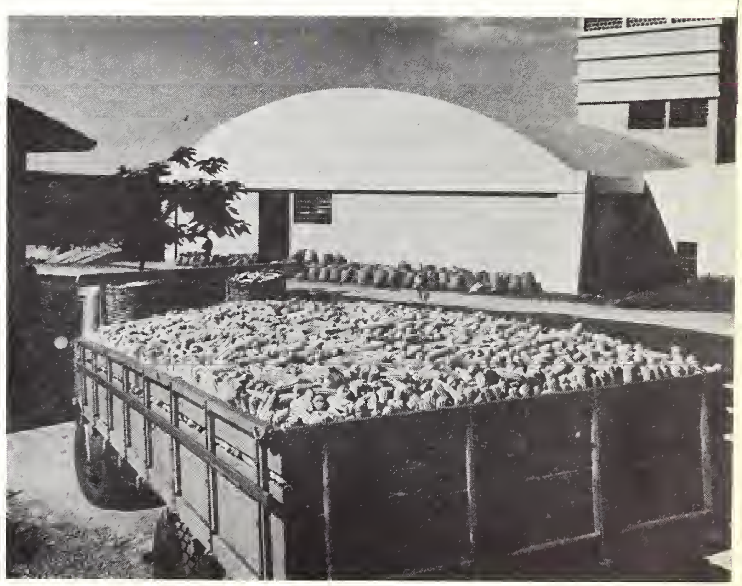
Over the past 20 years there have been numerous agrarian reform proposals drafted, and none have been enacted nationally. Today agrarian reform is much discussed. Papers daily carry articles on its pros and cons. All recognize that it must be carefully legislated and meticulously administered, and that the emphasis must be on the increase of agricultural productivity without large capital inputs and import expenditures using scarce foreign exchange.

Undoubtedly, Brazil will carry out agrarian reform in some manner in the near future. In the meantime, the country is going ahead with its resettlement projects. Also scheduled for attention is the drought-stricken Northeast for which irrigation and drainage programs are planned to permit its agricultural development.

Photos courtesy Pan American Union

Above, women picking cotton, and below, turning coffee beans to dry. Brazil is world's largest coffee producer, but also grows and exports a lot of cotton.

Left, modern cattle barn where animals are being fed balanced rations. Below, selected hybrid corn arrives at plant where it will be processed and sold to farmers for seed.



American Poultry Products Exhibit Set For Autumn Showing at Tokyo Center

U.S. agriculture's second show at the new Tokyo Center will be a poultry products exhibit, September 9-20. Joint sponsors are the Institute of American Poultry Industries and the Foreign Agricultural Service.

U.S. poultry firms will display and take orders for a complete line of poultry products—dried eggs, frozen whole chickens and turkeys, cut up parts, precooked and canned items.

In addition to the commercial booths, the USDA will have a pictorial exhibit on the 30-year development of the U.S. poultry industry. Another section will feature USDA inspection and grading procedures for poultry products.

Invited to the show will be Japanese importers, distributors, retailers, restaurant and hotel managers, institutional buyers, and food manufacturers. Special promotional luncheons and film showings will be held for these groups. USDA and government officials will handle trade queries in the businessmen's lounge located on the second floor of the Center.

Japan is a fast-growing market for U.S. poultry. Sales rose from virtually nothing in 1960 to nearly 1 million pounds in 1962. This year's sales are estimated at from 3-to-5 million pounds. The U.S. exhibit coincides with the time of year when Japanese do their ordering for the busy holiday season.

Because of space limitations, the number of exhibitors will be held to 30. Each exhibitor will have a 6-by-12 foot booth, and freezers can be rented. Japanese interpreters will be available to the exhibitors.

Poultry firms wishing to participate in the exhibit can obtain complete information from International Trade Fairs Division, Foreign Agricultural Service, Washington 25, D.C.—or the Tokyo Trade Center, Tameike Tokyo Bldg., 30, Akasaka Tameike-Machi, Minato-Ku, Tokyo, Japan.

Guatemalan Baking School Welcomes First Students

Guatemala's new baking school—part of the U.S. wheat industry's pilot promotional program in Central America—began classes last month with 17 students attending. The school aims to introduce modern baking techniques, and in the long-run to increase wheat consumption in Guatemala and raise nutritional levels.

Joint participants in the overall program are: Great Plains Wheat, Inc., the Guatemalan Flour Producer Association, the Guatemalan Ministry of Education, and FAS.

Japan Steps Up Usage U.S. Hard Red Wheat

The United States will soon become the largest supplier of wheat to Japan's school lunch program. The Japanese Food Agency has announced plans to purchase 4.5 million bushels of U.S. wheat during the current fiscal year ending March 1964, or 50 percent of all wheat imported for the program. The U.S. share last year was only 20 percent.

Most of the wheat will be hard red winter, 13.5 percent protein—used for the first time in Japanese school lunches. A sample of 103,000 bushels has already been shipped, in line with Japanese policy to conduct baking tests on new types of wheat used by government programs.

The wheat sale represents a culmination of the 2-year promotion effort of the USDA and Western Wheat Associates to introduce this quality of U.S. hard winter into the Japanese school lunch program.

U.S. Poultry's Madrid Post Ends Busy 1st Year

The poultry industry's new market development office in Madrid concludes its first year in operation this month with Spain's poultry meat imports moving upward—and most of them from the United States.

During this period, the International Trade Development Committee (U.S. poultry's overseas promotional arm) has worked to convince Spanish poultry producers that increased consumption of everybody's poultry through promotion would up their own sales.

As a result, the Spanish Supply Commission, which controls all foreign imports, relaxed its dollar allocations in December to permit the United States to ship 85 metric tons of turkeys for holiday use. This brought total poultry imports for 1962 to around 215 metric tons—and though still modest, appreciably more than the 17 metric tons imported in 1960. Although the United States has been the principal single source for Spain's poultry meat imports during this period, in 1962 almost all poultry imported reportedly came from the United States.

The ITDC has concentrated the bulk of its consumer promotion just before holidays when interest is highest in what is still a luxury item. Prior to Christmas last year, for instance, poultry was promoted extensively through the press, radio, and TV. Boning, carving, and turkey cooking demonstrations were held at large hotels in Madrid, Barcelona, and Palma. Large numbers of Spain's supermarket, hotel, restaurant, and trade officials attended.

The Spanish Supply Commission has now asked the ITDC office to present data in support of the ITDC contention that poultry imports can help Spain's entire poultry marketing structure. The office has also been asked to recommend a promotion program to run through 1964.

Left, cotton plant—gin, feed delinting, oil extraction unit, spinning mill, machine shop, and warehouse. Below, new gins like these at Badajos are being built throughout Spain's cotton areas.

Cotton Production Expanding in Spain

By WALDO S. ROWAN
Assistant U.S. Agricultural Attaché, Madrid

Spain is making phenomenal gains in its efforts to become self-sufficient in cotton production. During the past 12 years, Spain has increased production of this fiber from around 5 percent of domestic requirements to near self-sufficiency. As late as 1945 Spain harvested less than 8,000 bales, with a 1945-49 average production of 18,000 bales, compared with 510,000 bales produced in 1962-63. This accomplishment appears even more dramatic, when it is noted that total cotton production for the 15-year period from 1940 through 1954 was less than for the single year of 1962.

The significance of this development to the Spanish economy is demonstrated by the size of past cotton imports, which until recent years were Spain's largest agricultural imports. During the 10-year period, 1952-61, Spain imported around 2.8 million bales of cotton at a cost of almost $500 million. However, as a result of large imports in 1961 and the very large domestic production in 1961 and 1962, Spain imported little cotton in 1962 and is not expected to import much during 1963.

Spain's desire to become self-sufficient in cotton was prompted by the economic necessity to conserve foreign exchange. Before July 1959, when the stabilization program was initiated, Spain had been plagued by an extreme shortage of foreign exchange, currency instability, and chronic inflation. To assist Spain in obtaining this badly needed raw material and to bolster the overall economy, the United States financed under P.L. 480 and the Mutual Security Program the importation of 1.27 million bales of cotton valued at approximately $227.6 million.

Benefits to southern Spain

Although cotton has been of considerable economic significance to the entire Spanish economy, it has been of even greater importance to the main producing areas—Andalusia and Extremadura. These are areas of low income with chronic unemployment and underemployment on farms. Before the advent of cotton, their economy was based on olives and wheat. Cotton fits well into this two-crop system: it better utilizes both land and labor, and above all, is a cash crop with a sure local market.

Cotton is produced on both nonirrigated and irrigated land. Producers say that they can increase the use of their dry lands by growing cotton. Under former farming systems, they would plant wheat 1 year and let the land lie fallow the next. Now they plant wheat 1 year, and cotton the next. They point out that fertilizer not completely absorbed by cotton speeded the early growth of grain the following fall and winter and increased grain yields over that which they had formerly obtained from grain-fallow rotation.

Courtesy CEPANSA

Producers also maintain that cotton is about the only crop which can effectively utilize the increased irrigated

area in southern Spain. The main crops competing with cotton on irrigated land are sugar beets, corn, vegetables, fruit, and to a lesser extent, wheat and alfalfa. At current prices, cotton is more profitable year after year than any of these crops. Price fluctuations on vegetables and fruits are especially hazardous. The expansion of sugar beet production is restricted inasmuch as Spain is practically self-sufficient in the production of sugar.

The peak work periods for cotton come during the slack seasons for other commodities. The planting season is in the spring before the grain harvest begins, and harvesting takes place in the fall between the grain and olive harvests.

Cotton policy boosts output

Spain's agricultural policy with regard to cotton has varied somewhat over the past few years. In general, the government has tried to promote cotton production by providing price supports and technical and economic assistance to growers. This assistance has been the responsibility of the National Cotton Service, an agency of the Ministry of Agriculture. The NCS, with field headquarters in Seville, maintains seed improvement stations in the various producing areas, provides seed testing and cotton classification services, conducts fertilization studies, advises farmers about the use of fertilizers, insecticides, and cultural practices, and supervises the control of disease and pests.

In the early phases of Spain's program to expand cotton production, it was decided to insure farmers a ready cash market and adequate ginning and handling facilities. To provide these services, a system of ginning concessionaires was established. Each concessionaire operated in a set producing area and was required to buy all the cotton delivered to it by growers within the area. Cotton was sold in the seed on the basis of 3 grades: No. 1, No. 2, and No. 3. The National Cotton Service supervised grading.

These concessionaires were required to extend credit to growers to purchase seed, fertilizers, and insecticides. They maintained seed improvement stations operated under the supervision of the National Cotton Service.

The concessionaire system was abolished at the beginning of the 1961-62 season. New private and cooperative gins, some of them quite modern, as well as the former concessionaire gins, now compete in the cotton producing regions. The former fixed price has been replaced by a support price to permit greater competition among the ginners.

Seed improvement and reproduction studies are being continued and expanded by both old and new ginners. Sizable purchases of seed have been made from the United States during the past 2 years for this purpose, and several U.S. seed companies and Spanish organizations have expressed an interest in a joint venture for the production of certified seed for Spain.

Consumption picture

Those connected with cotton in Spain are confident that production will continue to increase. It has already passed the 500,000-bale mark. Limiting factors are the weather (the 1963-64 acreage is expected to be somewhat smaller than in 1962-63 because of poor weather) and control of such pests as the red spider, pink boll worm, caterpillars, and aphids. Control of these pests will become more difficult in the future, especially in areas where cotton is grown continuously on irrigated land.

In response to population growth and increased incomes, domestic cotton consumption should also increase. It is expected to range between 500,000 and 600,000 bales annually for the next few years. Affecting domestic consumption substantially is the amount of raw cotton Spain exports as textiles. Percentages have fluctuated widely during recent years, ranging between 8 and 25 percent of total consumption. Spain also exports small amounts of raw cotton.

With production increasing, especially of the shorter staple lengths, Spain, for the first time in history, anticipates a different type of cotton problem—that of surplus disposal. Spain will need to export its shorter staple lengths. At the same time, it will probably continue indefinitely to import small amounts of extra-long staple and the longer staples of the American upland types.

Subsidizing exports

Spain, like many other countries, will find it difficult to export cotton because its domestic support price is well above the world price. To deal with this problem, a decree announcing a modified two-price system was issued in March 1963. Under this decree, the Ministry of Agriculture will determine before October 1 of each year the proportion of the current crop (not to exceed 20 percent) which may be exported. The price the producer receives for the proportion to be exported will then be reduced by about 30 percent.

In actual practice, the grower will receive a composite price based on the amount of cotton authorized for export. For example, the current support price is around 35 cents per pound. The price of the amount for export, based on average quality, will be reduced to around 24 cents per pound. If 20 percent of the crop is authorized for export, the composite price received by the grower would be around 33 cents per pound.

Where lies the future

In summary, farmer services, price supports, and certain basic advantages in marketing and resource utilization have served to bring about the increase in cotton production in Spain. Further increases will depend largely on first, Spain's ability to increase its productive land resources by irrigation; and second, the ability of cotton to compete for this land.

Under present conditions, cotton bids fair for the bulk of new irrigated land in southern Spain. If, however, Spain should become affiliated with the Common Market, an expanded export market for its winter and early spring fruits and vegetables may result. This, plus a greater freedom of trade in cotton, could curtail further expansion in acreages planned for cotton production.

France Reports Much Smaller Grain Crop

France's 1963 grain production is expected to be only about three-fourths of last year's record outturn because of reduced wheat production. Present estimates indicate that the wheat harvest will be down 200 million bushels from that in 1962.

The Ministry of Agriculture's first forecast of 315 million bushels of wheat contrasts with last year's alltime high of 515 million bushels. Both acreage and yields are smaller. Acreage of 9.2 million acres is 2 million below that for 1962.

This low acreage reflects heavy damage sustained during the severe winter. Some damaged wheat acreage was shifted to other crops, and wheat yields were reduced on large areas that were not plowed up and seeded. By the preliminary forecast, the yield will average 34.3 bushels per acre —25 percent less than in 1962.

Little change from the 1962 level is forecast for other grains. Barley production was expected to rise sharply because of a 20-percent increase in acreage. However, this increase has been offset by smaller yields, and the present forecast indicates a crop of 280 million bushels—only 3 percent above the 1962 production.

Tunisian Grain Crops Larger

Tunisia is harvesting a good wheat crop. The exact volume of the harvest has not yet been determined, but the crop is forecast at 17.5 to 20 million bushels—well above the 14.5 million bushels produced last year.

As is normal, there will be a surplus of durum—about 7.5 million bushels, according to preliminary figures—and a shortage of bread wheat—about 10.5 million bushels.

Barley production will also be larger than in 1962, and a slight surplus is foreseen.

Japan's 1963 Wheat and Barley Crops Small

Japan's wheat and barley harvest, now underway, is reportedly the lowest of the postwar period. The two grains, together, are expected to amount to only 55 percent of the 1962 total.

Losses were caused by reduced acreage, excessive rainfall, and other unfavorable conditions. Largest losses were in western and southern districts.

Wheat production is now estimated at 33 million bushels—23 million less than earlier forecasts and little more than half the large 1962 harvest.

As a result of the small outturn, imports of soft wheat are expected to rise to over a million metric tons, well above those for the previous year. No change is expected in the planned imports of 1,763,000 tons of hard wheat.

Production of all types of barley is now forecast at 41 million bushels, compared with the 1962 total of 73 million and the 1955-59 average of 94 million. Imports of about 300,000 metric tons of barley are predicted. Normally, little or no barley is imported.

The quality of the new wheat crop is low, and a large part of the domestic grain will be used as feed this year. Some of the barley crop normally used as food is also expected to be diverted to feed this year.

Canada's Grain Prospects Good

Canada's recent crop development has been rapid in most areas of the grain belt, and prospects are generally good. Exceptions are eastern Manitoba, where wet weather has prevented realization of seeding intentions, and southern Alberta, where extremely dry weather has adversely affected yields.

Timely rains over most of Saskatchewan, western and southern Manitoba, and Alberta have maintained crop prospects. Rains will be needed soon, however, in northern Alberta, and further timely rains will be needed over a wide area of the Prairies to support the heavy growth.

Yugoslavia Harvesting Record Wheat Crop

Yugoslavia's 1963 wheat crop is officially forecast at 162 million bushels—an alltime record. This is 25 percent larger than the 1962 outturn, mainly because of high yields.

Acreage is slightly larger than that for a year ago, but the production increase is mainly attributed to favorable weather conditions and the seeding of more acreage to high-yielding Italian varieties. A total of 3.5 million acres is seeded in Italian varieties this year—26 percent above the 1962 acreage in that type.

Production of all other grains is also expected to exceed the 1962 harvest.

Uruguay's Rice Crop Largest in 8 Years

Uruguay has just harvested a rice crop—preliminarily estimated at 68,000 metric tons, rough basis—that approaches the previous record crop of 1954-55. The 1962-63 acreage was as large, and if average yields per acre of the recent March-May harvest were much above average, the crop could even be a record one.

In the last year, the Rice Growers Association of Uruguay has promoted expansion in rice acreage. New land areas are being irrigated and new equipment purchased.

Thai Rice Export Prices Keep on Upward Trend

Contrary to earlier expectations, Thai rice export prices have continued to rise in the last 2 months. The July 1 price to commercial exporters for white rice, 100-percent first grade, at $7.24 per 100 pounds, was 13 cents—a hundred more than a week earlier.

Delivery of new supplies from up country were delayed by low water in the rivers, which prevented some ship-

ments before the monsoon arrived. Another principal reason given for the price advance was a heavy foreign demand for rice.

THAILAND'S AVERAGE RICE EXPORT PRICES, F.O.B. BANGKOK [1], ON SELECTED DAYS, MAY-JULY, 1961-63

Year	White rice 100-percent first grade	White rice 10-percent broken	White broken A-1 Super	Cargo 100-percent first-grade
	Dollars per cwt.	*Dollars per cwt.*	*Dollars per cwt.*	*Dollars per cwt.*
1961:				
May 1	6.72	5.96	4.28	5.58
June 5	6.80	6.08	4.27	5.76
July 3	6.83	6.29	4.49	5.81
1962:				
May 4	8.23	7.50	5.87	7.21
June 4	8.34	7.77	6.30	7.07
July 2	8.15	7.52	5.51	7.01
1963:				
May 3 [2]	6.67	5.87	4.64	5.82
June 3	7.05	6.54	5.08	6.03
July 1	7.24	6.67	5.21	6.23

[1] Milled rice. Includes export premium, export tax, and cost of bags. Packed in bags of 100 kilograms (220.46 lb.) net.
[2] Corrected.

Portugal Imports Less Tobacco

Portugal's imports of unmanufactured tobacco in the first quarter of 1963, at 2,195,000 pounds, were about 2 percent under the 2,231,000 pounds imported during January-March 1962. Reduced imports this year from the United States and Angola more than offset larger takings from Mozambique and the Rhodesias-Nyasaland.

Takings of U.S. leaf in January-March 1963 totaled 911,000 pounds, compared with 994,000 in the first quarter of 1962, and represented 41.5 percent of total imports, compared with 44.6 percent a year ago.

TOBACCO, UNMANUFACTURED: PORTUGAL, IMPORTS BY COUNTRY OF ORIGIN, JANUARY-MARCH 1960-63

Origin	January-March 1960	1961	1962	1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
United States	1,378	1,215	994	911
Mozambique	163	174	343	452
Rhodesias-Nyasaland	29	99	82	234
Greece	309	320	224	223
Angola	121	220	234	127
Others	425	384	354	248
Total	2,425	2,412	2,231	2,195

Boletim Mensal, March 1963.

Italian Output of Tobacco Products Up

Output of tobacco products by the Italian Tobacco Monopoly during calendar 1962 totaled 136.7 million pounds—up 3.6 percent from the 131.9 million produced in 1961. Cigarettes and cigarillos accounted for the gain and were more than enough to offset further declines in cigars, cut tobacco, and snuff.

Cigarette output, at 123.3 million pounds, was 4.8 percent greater than the 117.7 million produced in 1961. Production of cigars, cut tobacco, and snuff declined 7.3, 5.5, and 8.2 percent, respectively, from the 1961 levels.

The Monopoly's sales of tobacco products during 1962, at 140 million pounds, were up 4.5 percent from the previous year's level of 134 million. Of this total, imported products—mainly cigarettes—amounted to 4.1 million pounds, compared with 2.9 million in 1961.

Sales of domestic-made cigarettes rose from 116.5 million pounds in 1961 to 122.1 million in 1962. Combined sales of cigars and cigarillos, at 3.3 million pounds, were down slightly from the 3.4 million sold in 1961. Also, combined sales of cut tobacco and snuff were down 6.7 percent from the 1961 level of 11.2 million pounds.

Northern Rhodesia Considers Tobacco Auctions

Plans to establish a tobacco auction floor in Lusaka, Northern Rhodesia, are under consideration by the Ministry of African Agriculture, according to the Parliamentary Secretary for Agriculture, Mr. A. Mudenda.

Early season estimates indicated that the 1963 harvest in Northern Rhodesia would be more than 20 percent larger than the 1962 harvest. However, unfavorable weather conditions during the growing season have reduced earlier expectations. (*Rhodesia and Nyasaland Newsletter,* a weekly digest of news from press and radio of the Federation, June 14, 1963.)

Nigeria's Tobacco Imports Down

Nigeria's imports of unmanufactured tobacco during 1962 totaled 4.2 million pounds—down slightly from the 4.3 million imported in 1961. Reduced takings from the Rhodesias-Nyasaland and India were more than enough to offset larger imports from the United States and the Republic of South Africa.

Imports of U.S. leaf, at 3.7 million pounds, were about 27 percent above the 1961 level of 2.9 million pounds and the highest since 1957. Takings from the Rhodesias-Nyasaland dropped from 1,023,000 pounds in 1961 to only 291,000 in 1962 and were the smallest since 1955. Imports from India, at 89,000 pounds, were only about one-fourth the 1961 level of 348,000 pounds.

Average import prices paid for leaf tobacco from principal suppliers in 1962 (in terms of U.S. equivalents per pound) were as follows: the United States, 80.2 cents; the Rhodesias-Nyasaland, 70.1 cents; India, 32.5 cents; and the Republic of South Africa, 85.7 cents.

Brazil Fixes Minimum Prices for Jute

The Brazilian Commission of Production Financing has fixed minimum prices for jute at 80 cruzeiros per kilogram (of 2.2 pounds) for the producer and 117 cruzeiros for fiber, baled and at port ready for shipment. (Current official buying and selling rates of the Bank of Brazil are 600 and 620 cruzeiros per dollar; the corresponding market rate is 762 and 770 cruzeiros.)

The press was informed that guarantees are intended to be extended eventually to the majority of agricultural products. Nine products, including jute and malva, are now covered. The fund allotted to the Commission for such work has been raised from 1 billion to 20 billion cruzeiros.

The Commission also extended from 60 to 120 days the period of loans and financing granted to producers under provisions of the Law of Minimum Prices.

Guatemala Plans Increased Sugar Milling

Press reports indicate that the Guatemalan sugar industry is expanding.

The Palo Gordo mill, which had been virtually abandoned, has been completely modernized with the installation of new machinery and new technical direction. The modernized mill can now produce up to 50,000 tons of sugar per year.

The newly erected Madre Sierra sugar mill was acquired in Jamaica and reassembled in Guatemala. Full production is expected in time for the next grinding season—November-June 1963-64. Before the installation of this additional mill capacity, only 50 percent of the cane was cut in the area now covered by the mill.

Guatemala has plans to build a sugar refinery by 1966 to produce the refined product.

Spain Allows Cotton Imports

Spain recently announced an import quota totaling 17,-500 metric tons (about 80,000 bales of 500 pounds gross) of cotton, duty free, to be imported from July through December. Spain has imported only small quantities of cotton in the past year or two, as a result of adequate supplies from substantially larger production and heavy imports in earlier years.

Reportedly, about 75,000 bales of American upland-type cotton will be exported from Spain during the current season (August-July). The country now produces the bulk of the cotton required by its textile industry, but some foreign trade in the raw product is needed for proper balancing of types and qualities in the supply.

U.S. Cotton Linters Imports Down

U.S. imports of cotton linters—mostly of felting quality—were 11,000 bales (500 pounds gross) in May 1963, compared with 12,000 in April and 15,000 in May 1962. Linters imports during the first 10 months of this season (August-May) totaled 97,000 bales, against 182,000 in the same period a year earlier.

Principal sources of linters imports during August-May 1962-63, with comparable 1961-62 figures in parentheses, were: Mexico, 59,000 (99,000); USSR, 12,000 (26,000); Guatemala, 10,000 (6,000); Brazil, 7,000 (19,000); El Salvador, 6,000 (7,000); Israel, 1,000 (2,000); and Syria, 1,000 (1,000).

Mexico Transships More Cotton

Transshipments of Mexican cotton through U.S. ports amounted to 460,000 bales (500 pounds gross) in the first 7 months (August-February) of the 1962-63 season. This was an increase of 51 percent from the 305,000 bales transshipped in the corresponding months of 1961-62.

Shipments in February were 74,000 bales, compared with 2,000 bales in the previous month, and 30,000 in February 1962.

Quantities shipped to major destinations from August 1962 through February 1963, with comparable 1961-62 figures in parentheses, were: France, 93,000 bales (38,-000); Italy, 92,000 (32,000); West Germany, 67,000 (37,000); Switzerland, 40,000 (15,000); United Kingdom, 31,000 (18,000); Portugal, 20,000 (10,000); Australia, 19,000 (9,000); Netherlands, 16,000 (4,000); Belgium, 14,000 (8,000); and Czechoslovakia, 14,000 (0).

In the period under review, the U.S. ports through which most Mexican transshipments moved were as follows: Brownsville, 362,000 bales; San Diego, 77,000; Houston, 11,000; Galveston, 4,000; and Los Angeles, 3,000.

More West German Milk, Dairy Products

West Germany's milk production in the first quarter of 1963 is estimated at 11 million pounds—up only 1 percent over the corresponding quarter of 1962. This slight increase was attributed mainly to the small harvest of roughage in 1962 and to the high prices of oil cakes and meals.

Uses on farms have been declining and continued their downward trend this quarter. As a result, farmers were able to deliver about 3 percent more milk to dairies than a year ago.

Production of all dairy products also increased in the quarter. These included butter and evaporated milk, both up 4 percent to 242 million pounds. Output of dried milk, largely nonfat dry milk, increased by 32 percent and that of cheese, by 5 percent.

Uruguay Encourages Consumption of Cow Meat

In order to provide a market for the large number of fat cows now on farms in various parts of the country, the Government of Uruguay issued a decree stating that the beef supply for consumption in Montevideo should consist of not less than 50 percent cow meat. The decree is in line with national policy of encouraging domestic consumption of cow meat and exporting the better quality steer meat. It was in effect from May 20 to July 15.

A previous decree authorizing free exports of 80,000 fat cows had not been used sufficiently to relieve the fat cow surplus situation.

Under the decree's provisions, butcher shops in the interior were to sell cow meat exclusively on Friday, Saturday, and Sunday of each week.

U.S. Tallow Faces Competition in Guatemala

The upward trend in U.S. exports of tallow and greases to Guatemala, although still advancing, has leveled off in the past year. Exports rose from 8.2 million pounds in 1959 to 12 million in 1961; but in 1962 they rose by only 900,000 pounds, to 12.9 million. The value of these exports in 1962 was $961,000.

Virtually all imports of tallow and grease in Guatemala come from the United States. U.S. dominance of this

market is expected to continue, since the shift in supply is internal rather than external. With a population in Guatemala of approximately 4 million and a population growth of about 100,000 per year, the future market for U.S. tallow and greases there seems to be from uncertain to slightly upward.

The 1962 domestic production of tallow and greases in Guatemala was 7 million pounds, from a cattle slaughter of 188,000 head. In 1963 a new rendering plant was opened in conjunction with a slaughterhouse. Although the primary purpose of the slaughterhouse is to increase the exports of frozen boneless beef to the United States, the tallow that will be produced from an expected slaughter of 25,000 head in 1963 will come into competition with present U.S. exports of tallow and grease to Guatemala.

The import duty on tallow and greases is fairly large—about 30 percent. The purpose of this duty is revenue, rather than protection. At present Guatemala is a net importer of soap and cosmetics and will probably remain one in the future. Between 1960 and 1961 the value of its net imports of soap from El Salvador rose from $2,000 to $175,600.

Outbreak of Foot-and-Mouth Disease in Peru

Outbreaks of foot-and-mouth, some of them serious, occurred in various localities of Peru last month. Although the Ministry of Agriculture was not in a position to confirm the extent of losses, it was reported that 1,200 head of cattle, 2,121 sheep, and 100 swine were lost in the various ranches and Indian communities of the Ayacucho Department.

The Ministry of Agriculture has provided for compulsory vaccination in the affected areas. Other measures taken were quarantine of the farms on which the outbreak occurred; restriction on movement of animals, feed, and livestock materials from areas infected with the disease; and precautions against possible infection of dairy herds near Lima.

The success of the control program will not be known for some time.

Yugoslavs Finance Liberian Slaughterhouse

The Liberian Department of Agriculture recently concluded financial arrangements with Yugoslavia for the construction of a slaughterhouse in the city of Monrovia. Technical assistance for the plant's operation is being provided by the Yugoslavs.

Negotiations between the two governments on the project began in 1961, but a delay was caused when Liberia refused to raise $200,000 as required by Yugoslavia. The Liberian Government recently accepted the contract when Yugoslavia lowered this requirement to $37,000.

A modern slaughterhouse for livestock and poultry with a refrigeration room, freezing facilities, and processing equipment will be built. It will have a minimum daily production of 26 cattle, 80 sheep and goats, 35 hogs, and 275 poultry. Preliminary plans call for establishing an animal quarantine station in conjunction with the slaughterhouse.

All equipment will be purchased from Yugoslavia except that for poultry processing, which is to be purchased from the United States, at an estimated cost of $30,000.

Australian Meat Moves to the U.S.

Five ships left Australia during the second and third weeks of June with 20,404,160 pounds of beef, 1,671,040 pounds of mutton, 56,000 pounds of lamb, and 53,760 pounds of variety meats for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Eastern and Gulf ports and St. Lawrence Seaway			
Hebe[2] June 5	New York	July 5	Beef	712,320
Northumberland[2] June 6	Tampa		Beef	239,680
	Norfolk	9	Beef	22,400
	Philadelphia	11	Beef	340,480
	New York	16	Beef	250,880
	Boston	24	Beef	109,760
			Var. meats	4,480
Gladstone Star June 9	Jacksonville	July 3	Beef	237,400
			Mutton	112,000
	Charleston	5	Beef	781,760
			Mutton	168,000
	Norfolk	6	Beef	385,280
			Mutton	515,200
	Philadelphia	7	Beef	2,450,560
			Mutton	190,400
	New York	11	Beef	5,600,000
			Mutton	427,840
			Lamb	11,200
	Boston	15	Beef	421,120
			Mutton	56,000
			Var. meats	29,120
Pioner Isle June 6	Charleston	13	Beef	94,080
			Mutton	17,920
			Var. meats	22,400
	New York	19	Beef	680,960
			Mutton	38,080
	Philadelphia	21	Beef	22,400
	Baltimore	23	Beef	232,960
			Mutton	33,600
Port Quebec June 6	Detroit	(3)	Beef	67,200
	Tampa	July 8	Beef	1,603,840
			Var. meats	2,240
	Charleston	11	Beef	284,480
	Norfolk	13	Beef	273,280
	Philadelphia	14	Beef	1,926,400
	New York	17	Beef	4,417,280
			Mutton	78,400
	Boston	23	Beef	515,200
			Lamb	44,800
	Western ports			
Sonoma[2] June 8	Los Angeles	June 26	Beef	123,200
	Seattle	July 5	Beef	170,240
	Portland	15	Beef	82,880
Himalaya June 12	San Francisco	1	Mutton	33,600
Mariposa June 30	San Francisco	7	Beef	280,000
	Los Angeles	12	Beef	129,920

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale. [2] In addition to amounts reported in *Foreign Agriculture*, July 8, 1963. [3] To be transshipped.

U.K. Lard Imports Down in Early 1963

Lard imports into the United Kingdom totaled 121.5 million pounds during the first 4 months of 1963—about 9 percent less than those for the same period in 1962.

Imports during April were 27.7 million pounds, 19.6 million of which were from the United States. For the

year thus far, the United States has accounted for 75 percent of all lard imports or a total of 91.6 million pounds —down from 101.6 million pounds for the first 4 months last year.

U.K. imports from West Germany increased sharply during the January-April period. It is probable that some of this is Berlin stockpile lard of U.S. origin, which is rotated periodically. Because this lard contains antioxidants, it cannot be sold in Germany and must therefore be disposed of abroad. Imports from Poland had increased in 1962 but were down rather sharply in the early months of 1963. Imports from France, normally the second largest supplier, were down only slightly from the previous year.

The U.K. lard market is of increasing importance to the U.S. exporter, as it is the only major outlet remaining. U.S. lard exports have been reduced about one-third over the last few years by the loss of the Cuban market and by Europe's rising output and declining consumption.

U.K. LARD IMPORTS BY COUNTRY OF ORIGIN, JANUARY-APRIL, 1962 AND 1963

Country of origin	Jan.-Apr. 1962 Quantity	Jan.-Apr. 1962 Percent of total	Jan.-Apr. 1963 Quantity	Jan.-Apr. 1963 Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	91,647	75.4	101,608	76.4
France	6,886	5.7	7,317	5.5
Belgium	6,006	5.0	6,376	4.8
Denmark	5,389	4.4	4,681	3.5
Germany, West	5,119	4.2	2,472	1.9
Poland	2,479	2.0	6,912	5.2
Netherlands	2,113	1.7	2,005	1.5
Sweden	1,654	1.4	1,149	.9
Others	194	.2	446	.3
Total	121,487	100.0	132,966	100.0

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EEC Pork Regulations Effective in September

The Ministers of Agriculture of the six EEC countries have set September 2 as the date when the Common Market regulations on pork products will become effective.

The new regulations will be in line with those for live hogs and pork carcasses, which have been in force since July 30, 1962. Wholesale pork cuts and lard will be subject to variable import levies, gate prices, and other safeguards. This system for pork products will remain in force only until June 30, 1964. The Ministerial Council, acting unanimously on a proposal of the Executive Committee, will have until March 31, 1964, to decide whether the system will continue or whether another regulation will be applied.

Fresh and frozen pork variety meats will be subject to the fixed 20-percent Common External Tariff bound in the General Agreement on Tariffs and Trade; therefore, on September 2 the duty on West German imports of pork livers from the United States and other third countries will increase from 9½ percent ad valorem to 20 percent and that for kidneys from 13 to 20 percent. Germany and some other countries will also increase duties on imports from member countries.

Until the effective date of the pork products regulation, German firms will be able to import U.S. livers, kidneys, fatback, and lard under import tenders. Applications for licenses under these tenders will be acceptable throughout August. Beginning September 2, lard and fatback imports in Germany and the other countries will be subject to import levies and import licensing.

Senegal's Peanut Crop Estimate Reduced

Senegal's 1962-63 commercial peanut production (for crushing and export) is not expected to exceed 750,000 metric tons, considerably less than expected earlier (*Foreign Agriculture,* Mar. 25) and sharply below the record 901,764 tons commercialized in 1961-62.

In view of the reduced production, exports of peanuts and peanut products this year will be down substantially from 1962. Virtually all of the exportable supply of peanuts and peanut oil will go to France, which has agreed to purchase the equivalent of 215,000 tons of unrefined oil. Half of this is to be in the form of shelled peanuts (*Foreign Agriculture,* Mar. 4).

SENEGAL: EXPORTS OF PEANUTS AND PEANUT PRODUCTS BY COUNTRY OF DESTINATION, 1960-62

Commodity and country	1960 [1]	1961	1962
PEANUTS	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Shelled:			
France	246.3	236.2	273.5
Algeria	5.8	3.2	3.2
Belgium	—	9.3	—
Netherlands	—	5.6	—
Switzerland	—	5.5	—
Others	1.2	9.6	—
Total	253.3	269.4	276.7
In-shell:			
France	—	.1	(2)
Algeria	(2)	.2	.3
Total	(2)	.3	.3
For roasting:			
France	(2)	(2)	—
Algeria	.1	.4	—
Total	.1	.4	—
PEANUT OIL			
Refined:			
France	9.4	9.0	14.0
Others	4.0	2.6	1.9
Total	13.4	11.6	15.9
Unrefined:			
France	89.6	100.8	97.1
Algeria	11.1	13.4	5.6
Total	100.7	114.2	102.7
PEANUT CAKE			
France	52.9	53.8	107.9
Norway	14.6	19.6	31.9
United Kingdom	42.0	32.0	2.8
Sweden	20.7	19.9	9.0
Netherlands	8.7	19.7	5.5
Others	24.5	35.7	6.8
Total	163.4	180.7	163.9

[1] Senegal, Mali, and Mauritania. [2] Less than 50 tons.
Compiled from official sources.

Rain Hurts Japan's Fruit, Vegetables

Japan's fruit and vegetables, like its grain, suffered from this year's excessive rainfall. Fruit loss of $16 million cannot be recouped, but replanting will cover the $30-million vegetable loss to a large extent.

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1963 Portuguese Almond Harvest Small

The 1963 Portuguese almond harvest is forecast at 3,000 short tons, shelled basis. This is well below the 1961 and 1962 crops of 4,300 and 5,800 tons, but above the 1956-60 average of 2,700 tons.

The Algarve region accounts for 2,200 tons of this and the Douro region for 800, compared with 3,300 and 1,000 respectively for 1962.

Almond stocks at the beginning of 1962 (Sept. 1) were estimated at 1,000 short tons, compared with 400 tons a year earlier. Stocks at the beginning of 1963 are expected to be negligible.

Almond exports in 1962-63 may reach 4,800 tons, shelled basis. During the first 7 months (Sept. 1-Mar. 30) of the 1962-63 season, exports totaled 3,500 tons. Exports in the 1961-62 season amounted to about 4,900 tons. The United Kingdom, West Germany, and Belgium-Luxembourg continue as the largest markets for Portuguese almonds.

WORLD CROPS AND MARKETS

(other commodity articles listed on page 2)